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**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

THE EINSTEIN ACADEMY CHARTER	:	
SCHOOL,	:	
Plaintiff	:	
	:	
Vs.	:	Civil Action No. 02-2880
	:	
TUTORBOTS, INC., et al.,	:	(Judge Berle M. Schiller)
Defendants	:	
	:	
And	:	
	:	
FAIRFIELD AREA SCHOOL DISTRICT,	:	
GETTYSBURG AREA SCHOOL	:	
DISTRICT, UPPER ADAMS SCHOOL	:	
DISTRICT, LITTLESTOWN AREA	:	
SCHOOL DISTRICT, BERMUDIAN	:	
SPRINGS SCHOOL DISTRICT,	:	
CENTENNIAL SCHOOL DISTRICT,	:	
BUTLER AREA SCHOOL DISTRICT,	:	
KARNS CITY AREA SCHOOL	:	
DISTRICT, MARS AREA SCHOOL	:	
DISTRICT, MONITEAU AREA SCHOOL	:	
DISTRICT, SENECA VALLEY SCHOOL	:	
DISTRICT, SLIPPERY ROCK AREA	:	
SCHOOL DISTRICT, SOUTH BUTLER	:	
COUNTY SCHOOL DISTRICT, PENN	:	
CAMBRIA SCHOOL DISTRICT,	:	
BLACKLICK VALLEY SCHOOL	:	
DISTRICT, GREATER JOHNSTOWN	:	
SCHOOL DISTRICT, CENTRAL	:	
CAMBRIA SCHOOL DISTRICT,	:	
DOWNINGTOWN AREA SCHOOL	:	
DISTRICT, PHOENIXVILLE AREA	:	

SCHOOL DISTRICT, GREAT VALLEY
SCHOOL DISTRICT, OCTORARA AREA
SCHOOL DISTRICT, OXFORD AREA
SCHOOL DISTRICT, COATESVILLE
AREA SCHOOL DISTRICT, AVON
GROVE SCHOOL DISTRICT, OWEN J.
ROBERTS SCHOOL DISTRICT, BALD
EAGLE AREA SCHOOL DISTRICT,
PENNS VALLEY AREA SCHOOL
DISTRICT, STATE COLLEGE AREA
SCHOOL DISTRICT, BELLEFONTE
AREA SCHOOL DISTRICT, CRAWFORD
CENTRAL SCHOOL DISTRICT,
PENNCREST SCHOOL DISTRICT,
CARLISLE AREA SCHOOL DISTRICT,
BIG SPRING SCHOOL DISTRICT,
SOUTH MIDDLETON SCHOOL
DISTRICT, MECHANICSBURG SCHOOL
DISTRICT, EAST PENNSBORO SCHOOL
DISTRICT, HARRISBURG SCHOOL
DISTRICT, CENTRAL DAUPIN SCHOOL
DISTRICT, HALIFAX SCHOOL
DISTRICT, MILLERSBURG AREA
SCHOOL DISTRICT, RIDLEY SCHOOL
DISTRICT, ROSE TREE MEDIA
SCHOOL DISTRICT, CHESTER-
UPLAND SCHOOL DISTRICT, WILLIAM
PENN SCHOOL DISTRICT,
HAVERFORD TOWNSHIP SCHOOL
DISTRICT, PENN-DELCO SCHOOL
DISTRICT, SPRINGFIELD SCHOOL
DISTRICT, WALLINGFORD-
SWARTHMORE SCHOOL DISTRICT,
SOUTHEAST DELCO SCHOOL
DISTRICT, NORTHWESTERN AREA
SCHOOL DISTRICT, CHAMBERSBURG
AREA SCHOOL DISTRICT,
WAYNESBORO AREA SCHOOL
DISTRICT, GREENCASTLE-ANTRIM
SCHOOL DISTRICT, TUSCARORA
SCHOOL DISTRICT, SHIPPENSBURG
AREA SCHOOL DISTRICT,
BLAIRSVILLE-SALTSBURG SCHOOL
DISTRICT, INDIANA AREA SCHOOL
DISTRICT, PENNS MANOR AREA
SCHOOL DISTRICT, HOMER CENTER

SCHOOL DISTRICT, BROOKVILLE
AREA SCHOOL DISTRICT,
PUNXSUTAWNEY AREA SCHOOL
DISTRICT, CONESTOGA VALLEY
SCHOOL DISTRICT, ELIZABETHTOWN
AREA SCHOOL DISTRICT, EPHRATA
AREA SCHOOL DISTRICT, DONEGAL
AREA SCHOOL DISTRICT, HEMPFIELD
AREA SCHOOL DISTRICT, LAMPETER-
STRASBURG SCHOOL DISTRICT,
MANHEIM CENTRAL SCHOOL
DISTRICT, MANHEIM TOWNSHIP
SCHOOL DISTRICT, PENN MANOR
SCHOOL DISTRICT, PEQUEA VALLEY
SCHOOL DISTRICT, SOLANCO
SCHOOL DISTRICT, WARWICK
SCHOOL DISTRICT, CORNWALL-
LEBANON SCHOOL DISTRICT,
EASTERN LEBANON COUNTY
SCHOOL DISTRICT, EAST
STROUDSBURG AREA SCHOOL
DISTRICT, PLEASANT VALLEY
SCHOOL DISTRICT, POCONO
MOUNTAIN AREA SCHOOL DISTRICT,
STROUDSBURG AREA SCHOOL
DISTRICT, ABINGTON SCHOOL
DISTRICT, CHELTENHAM TOWNSHIP
SCHOOL DISTRICT, HATBORO-
HORSHAM SCHOOL DISTRICT,
POTTSGROVE AREA SCHOOL
DISTRICT, POTTSTOWN SCHOOL
DISTRICT, SOUDERTON AREA
SCHOOL DISTRICT, SPRING-FORD
AREA SCHOOL DISTRICT, UPPER
DUBLIN SCHOOL DISTRICT, UPPER
MERION AREA SCHOOL DISTRICT,
UPPER PERKIOMEN SCHOOL
DISTRICT, WEST PERRY SCHOOL
DISTRICT, NEWPORT SCHOOL
DISTRICT, SCHOOL DISTRICT OF
PHILADELPHIA, DELAWARE VALLEY
SCHOOL DISTRICT, CRANBERRY
AREA SCHOOL DISTRICT, FRANKLIN
AREA SCHOOL DISTRICT, OIL CITY
AREA SCHOOL DISTRICT, VALLEY
GROVE SCHOOL DISTRICT, BELLE

VERNON AREA SCHOOL DISTRICT,
KISKI AREA SCHOOL DISTRICT,
LIGONIER VALLEY SCHOOL
DISTRICT, BURRELL SCHOOL
DISTRICT, FRANKLIN REGIONAL
SCHOOL DISTRICT, GREATER
LATROBE SCHOOL DISTRICT,
TUNKHANNOCK SCHOOL DISTRICT,
YORK SUBURBAN SCHOOL DISTRICT,
DOVER AREA SCHOOL DISTRICT,
EASTERN YORK AREA SCHOOL
DISTRICT, SOUTHERN YORK COUNTY
SCHOOL DISTRICT, SOUTHEASTERN
SCHOOL DISTRICT, WEST SHORE
SCHOOL DISTRICT, SPRING GROVE
SCHOOL DISTRICT, WEST YORK AREA
SCHOOL DISTRICT,
and RED LION SCHOOL DISTRICT,
Intervenors

Motion of One Hundred and Fourteen School Districts to Intervene

AND NOW, come the one hundred and fourteen school districts named in the caption, (hereafter “School Districts”), by and through their attorneys, the Levin Legal Group, P.C., who file this Motion to Intervene pursuant to F.R.C.P. 24, and who, in support thereof, aver as follows:

1. Your Intervenors are One Hundred and Fourteen (114) public school districts of the Commonwealth of Pennsylvania that are organized and operate in accordance with the Public School Code of Pennsylvania. They seek to intervene in this matter to protect their interest in certain property in the hands of or under that control of the Defendants.
2. This matter is pending before the Court on a Complaint filed by an entity that claims to be a public charter school. The Complaint was filed against Defendants that created and

managed the so-called public charter school (hereafter referred to as “Einstein”) until such time as there was a falling out among individuals who assisted the Defendants in creating and running Einstein.

3. School districts from across the Commonwealth of Pennsylvania filed suits in numerous Courts of Common Pleas against the Plaintiff and others challenging the illegalities surrounding the creation and operation of Einstein. In addition, Petitions for Special Relief, seeking preliminary injunctions against Einstein were filed. The separate county court actions have for most purposes been consolidated in the Court of Common Pleas of Chester County. A copy of the Second Amended Complain that was recently filed in the Court of Common Pleas of Chester County, identifying the illegal actions of Einstein and the other defendants in that action, is attached hereto as Exhibit “1”.

4. Several of the Courts of Common Pleas issued Orders granting the Petition for Special Relief and enjoining Einstein from either enrolling additional students, seeking tuition payments from school districts, and/or prohibiting Einstein from further operating in their counties. Copies of each of those Orders is attached hereto as Exhibit “2”.

5. The Court of Common Pleas of Adams County entered an Order on or about December 11, 2001, after full and complete hearings, making findings of fact that chronicle the illegal actions, self dealings, and improprieties of Einstein. A copy of Judge Spicer’s decision is attached hereto as Exhibit “3”, together with the Proposed Findings of Fact and Conclusions of Law by the school districts upon which it was largely based.

6. As a result of Einstein’s illegal conduct and breaches of its contract with the Morrisville Borough School District, the Pennsylvania Department of Education sued Einstein and Morrisville Borough School District in the Commonwealth Court of Pennsylvania on or about

February 8, 2002. A copy of that Petition for Review, which also chronicles the illegal actions of Einstein, is attached hereto as Exhibit "4". That action was settled thereafter and the settlement agreement is attached hereto as Exhibit "5".

7. It is believed and therefore averred that even after the execution of the settlement agreement Einstein failed to comply with the law, with its Charter School Agreement, or with the settlement agreement.

8. As a result of Einstein's ongoing breaches, the Morrisville Borough School District voted, on May 22, 2002, to initiate revocation proceedings against Einstein.

9. In addition to the lawsuits referenced above, other lawsuits have been filed by and against Einstein. Further claims by third parties have been made, which include claims that Einstein unlawfully utilized copyrighted materials of others.

10. In different legal proceedings, attorneys from the law firm of Buchanan Ingersoll, P.C., have represented and/or continue to represent both the Plaintiff and the Defendants named in this law suit. Copies of Appearance Notices where Buchanan Ingersoll, P.C., have entered an appearance for the present Defendants are attached hereto as Exhibit "6".

11. Pursuant to the Charter School Law, under which the Plaintiff purports to operate, charter schools are supposed to bill resident school districts for an amount of tuition calculated pursuant to a statutory formula that varies from school district to school district, but that statewide approximates or is somewhat under \$7,000 per regular education student for the 2001-2002 school year. Under the Charter School Law, in the event that the school district of residence does not pay the charter school, the Secretary of Education has authority to withhold money from the school district's state reimbursements and pay that money over to the billing charter school.

12. The bills Einstein sent to school districts across the Commonwealth were erroneous and erroneously claimed tuition for students who, for example, either were never enrolled in Einstein, or who, after enrollment dis-enrolled. It is believed and therefore averred that Einstein made the same claims to the Department of Education for the specific purpose of obtaining taxpayer money from the state for purposes, among others, of enriching the Defendants at bar. The errors contained in the bills were so widespread that it is believed and therefore averred that the Plaintiff and the Defendants knew or should have known of the errors, but continued to seek taxpayer money as a scheme ultimately to enrich the Defendants at bar. It is believed and therefore averred that Einstein, the Plaintiff at bar, acted in concert with the Defendant at bar for those wrongful purposes.

13. As a result of its political aspirations to advance the interests of so-called cyber schools, which Einstein claims to be, and in disregard of legal requirements, the Department of Education has withheld millions of dollars from public school district across the Commonwealth and have paid said amounts to cyber schools, including paying millions of dollars to Einstein that have been illegally withheld from the School Districts seeking to Intervene in this case.

14. In addition to the substantive irregularities associated with the creation and operation of Einstein, the withholding of state reimbursements from school districts was done in violation of Pennsylvania's Administrative Agency Law. On May 2, 2002, the Commonwealth Court ruled that the withholding by the Department of Education was unlawful and in violation of the Administrative Agency Law. A copy of said decision is attached hereto as Exhibit "7".

15. At bar, Einstein is seeking relief in the nature of: (a) a preliminary injunction; (b) compensatory, exemplary, punitive and/or treble damages for willful infringement or dilution of Einstein's Marks and/or unfair trade practices; (c) an order directing net profits paid to support

and promote public education; (d) damages for willful conversion of Einstein's materials and information; (e) damages for other reasons; (f) an accounting of net profits; and (g) the imposition of an express, resulting or constructive trusts; pre- and post-judgment interests.

16. It is believed and therefore averred that the items of property and profits being claimed by Einstein are rightly due and owing to the School District Intervenor in light of the illegal and wrongful conduct of both Einstein and the Defendants at bar as more fully described in the Exhibits "1" and "3" hereof, and in consideration that most if not all of the funding that has gone to Einstein and to the Defendants at bar through Einstein are funds that have been unlawfully withheld by the Department of Education from school districts across the Commonwealth, including the School District Intervenor, and paid over to Einstein, and then from Einstein to Tutorbots.

17. It is believed and therefore averred that Einstein has no right to any of the property or profits which it seeks as a result of its unclean hands, its illegal conduct, its erroneous bills to school districts, and its concerted action with the Defendants at bar.

18. Attached hereto as Exhibit "8" is a copy of the pleading setting forth the claims for which Intervention is sought.

WHEREFORE, it is respectfully requested that this Motion to Intervene be granted.

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